

# PRIVATE ON-SITE WASTEWATER TREATMENT MAINTENANCE (POWTS) PROGRAM SPECIAL CHARGE TAX ASSESSMENT REPORT

## POWTS PROGRAM HISTORY

In 2000, the Wisconsin Department of Commerce adopted a revised Administrative Code, Comm 81-87. Within this revised code came the requirement that all counties within the State are to create a maintenance tracking program for all private on-site wastewater treatment systems (POWTS) within their respective county municipal boundaries.

Fond du Lac County Code Enforcement Office (CEO) began a POWTS Maintenance Program (PMP) in 2004. All POWTS within the villages, cities, and townships of the county were identified. The county then performed a three year phase in timeline to incorporate all identified POWTS into the maintenance program. The County Information Services (IS) Department willingly agreed to develop the maintenance tracking program needed to administer the PMP.

Part of the PMP was the creation of a \$15.00 administrative fee to be included with all completed POWTS Maintenance Notices submitted to the county. The administrative fee was enacted to cover the associated costs the county incurs with the PMP. It was anticipated that the PMP would require a 20 hr/week employee to administer all aspects of this program. This position was to be self funded through revenues received by the \$15.00 administrative fee. Since the inception of the program it has become apparent that the delegated 20 hours per week for one employee has not been realistic. The program not only requires the delegated 20 hours per week for data entry and processing but additional staff to follow up on noncompliance issues, site inspections, and further data entry and processing of paperwork.

## PROGRAM SPECIFICS

All POWTS Maintenance Notices are mailed to current property owners as shown on the assessment rolls for the county. The assessment roll is currently maintained using an AS/400 program developed in the 1980's. When property ownership transfers, the Tax Listing/Real Property Lister Office will update the assessment roll to reflect the new owner(s) name and

mailing address. POWTS Maintenance Notices are mailed to the most current owner as entered into the assessment roll by the tax listing office. POWTS maintenance frequencies are determined by State and County code requirements. POWTS Maintenance Notices are generated and mailed over a seven month period beginning in April and ending in October. POWTS Maintenance Notices are not mailed during the winter months (November to March) due to the possibility that the POWTS dispersal component (drainfield) freezing up over the winter months. There are between 3,000 to 5,000 notices mailed throughout the seven month period. Processing of the POWTS Maintenance Notices takes place over the 12 month period. A comparative table showing the number of notices generated yearly since the program was implemented is below.

#### NOTICES GENERATED BY YEAR

	2004	2005	2006	2007	2008	2009
Notices Generated	3032	4872	4467	3439	4022	3793

Completed POWTS Maintenance Notices are returned to the CEO with the \$15.00 administrative fee attached. POWTS Maintenance Notices are either submitted by the property owner or service provider once the required maintenance is completed. Processing of the completed POWTS Maintenance Notices and the administrative fee updates the maintenance program developed by the IS Department. Since the PMP started in 2004, data entry of the POWTS Maintenance Notices, receipting of the administrative fee, and additional staff time (issuing enforcement actions by the Asst. Code Enforcement Officer, additional administrative help in processing notices, enforcement action by the Corporation Counsel and Circuit Court) needed to achieve compliance has exceeded the established 20 hour work week the program was set up for.

Compliance with submission of the POWTS Maintenance Notices is achieved through a multi-step process. The initial POWTS Maintenance Notice is mailed to the property owner with the intent to receive compliance within a 30 day time frame. POWTS Maintenance Notices are dated the 15<sup>th</sup> of the month but are actually mailed to the property owner around the 1<sup>st</sup> of the month. There is an extra 30 days to allow the service provider time to provide adequate service. If the POWTS Maintenance Notice is not returned within the 60 days set forth by the initial notice, a Corporation Counsel letter

is mailed to the property owner with a compliance time frame of 15 days. Failure to return the POWTS Maintenance Notice results in further legal proceedings with the overall objective to obtain compliance. Citations, with a forfeiture amount up to \$808.00, are issued to individuals that have not returned a completed POWTS Maintenance Notice and/or the required \$15.00 administrative fee.

## CHANGES TO THE POWTS PROGRAM

During the summer of 2009, it came to the CEO's attention that the newly created Land Information Office was looking into updating the current AS/400 tax listing/real property lister software. Due to the updating on the Land Records System (LRS), the PMP initially developed in the AS/400 program will be impacted and will need to be addressed accordingly. Since all POWTS Maintenance Notices are currently linked to the AS/400 tax listing/real property lister software, any changes to this program would have significant impacts to the PMP. Without access to accurate mailing addresses for all the property owners within the county, the PMP would cease to function. The PMP relies on an accurate database reflecting current property ownership name and mailing addresses to notify property owners when POWTS maintenance is required.

The Land Information Office has contracted with a company to create and install a new Land Records System (LRS). The company will be creating and installing a new permit tracking program which will include a POWTS maintenance tracking program. The new permit and maintenance tracking program will be directly tied to the LRS so any property ownership changes made in the LRS will be reflected in the permit and maintenance tracking program.

A major change to the current AS/400 PMP compared with the new LRS program is that any maintenance performed on a POWTS will have to be submitted to the county electronically by logging onto a designated website. All service providers maintaining a POWTS will have to report the results of any inspection and maintenance performed, regardless if it was in response to a mailed notice or not, into the designated website.

Due to the change in how the completed notices are handled, tracked, and entered in to the new tracking program, the CEO is proposing that the \$15.00 administrative fee currently required when the POWTS Maintenance Notice is submitted be eliminated and a separate special charge tax assessment of \$7.00 per year be placed on all parcels for each POWTS located on it. Both the Wisconsin State Statutes and Administrative Code allow for the county to place a special charge on property tax bill for the administration of the POWTS Program. Wisconsin State Statutes 145.20 (4) states that a governmental unit may assess the owner of a private sewage system for costs related to the pumping of a septic or holding tank. The governmental unit shall make any assessment in the same manner that a city, village or town makes an assessment under s. 66.0703. The special charge will be for every POWTS located on the property. For example, a particular property may have three structures utilizing a separate POWTS for each structure, each POWTS on that property will be assessed the \$7.00 special charge for a total charge of \$21.00 per year.

#### FINANICAL ASPECTS OF THE POWTS MAINTENANCE PROGRAM

Since the inception of the PMP, revenue generated from the administrative fee has been fairly consistent from year to year. The table below shows the amount of revenue received yearly starting in 2004.

POWTS Program Revenue

	2004	2005	2006	2007	2008	2009*
Revenue Received	\$47,955.00	\$52,995.00	\$68,535.00	\$53,936.00	\$63,989.00	\$53,940.00*

\*as of November 24, 2009.

By contrast, the table below shows the total administrative costs the PMP has incurred yearly since 2004.

### POWTS Program Expenses

	2004	2005	2006	2007	2008	2009*
Expenses Accrued	\$32,338.00	\$38,830.00	\$59,943.00	\$49,997.00	\$69,757.00	\$57,941.00

\*as of November 24, 2009

Comparing the two above tables, the PMP has been spending more in administrative costs than receiving in revenue for the last two years. In 2008, expenses exceeded total revenue from fee collection by \$9,202.24. As of November 24, 2009, expenses were exceeding revenue by \$4,000.00 for the year. The administrative fee for each report submitted has not increased since the program was started in 2004.

In order to bring the program into balance fiscally, the PMP administrative fee should be adjusted. The table below shows a wide range of prospective fees and the amount of revenue it can generate. A fee of \$7.00 per year will generate more revenue than expenses. But over time without any adjustments, expenses will eventually exceed the revenue generated. Below is a table showing a fee range from \$5.00 up to \$10.00 per POWTS and the amount of revenue it would generate.

### Proposed Revenue with Special Charge Fees

Total POWTS to be Assessed	10,760**	10,760	10,760	10,760	10,760	10,760
Special Charge Fee	\$5.00	\$6.00	<b>\$7.00*</b>	\$8.00	\$9.00	\$10.00
Total Revenue	\$53,800.00	\$64,560.00	<b>\$75,320.00*</b>	\$86,080.00	\$96,840.00	\$107,600.00

\*Bold indicates proposed yearly POWTS Special Charge on property tax bill

\*\* Total number of POWTS active as of 11/10/2009

By comparison, other regional counties which have already enacted the Special Charge for their POWTS Program, the proposed \$7.00 fee is far below other counties. See the table below for the comparison of fees charged by other counties.

Special Charge Fees by Surrounding Counties

Counties with Special Charges	Outagamie	Sheboygan	Manitowoc	Brown
Special Charge per Year	\$12.00	\$15.00	\$10.00	\$16.00

Although, it is not known how the revenue generated for the POWTS programs in the above mentioned counties are disseminated, the PMP in Fond du Lac County is a completely self funded program through the revenues received by the administrative fee. Revenue collected is used solely for the administration costs to effectively run this program.

## SUMMARY AND CONCLUSION

Because the implementation of the new LRS will impact how the PMP will be operated, the need to place a Special Charge onto parcels that have a POWTS system is the most logical and time efficient method to collect the required fees to fund the PMP. Since the required POWTS Maintenance Notices will be entered online by the service providers, accurately tracking and recording the current \$15.00 administrative fee to the proper property owner and parcel of land would be difficult and time consuming. The new PMP will help to eliminate any confusion when maintenance is required, since all maintenance performed will be entered into the tracking program at the time service is provided.

For example, there are property owners who electively maintain their POWTS more frequently than what is required by the POWTS Ordinance. The POWTS Ordinance would require some owners to inspect and/or pump their treatment tank(s) every three years but instead the owner elects to have

the tank(s) pumped every two years. The service provider would enter in the date of service every two years when performed; therefore the property owner would not receive a POWTS Maintenance Notice from the CEO since the new PMP would reset the maintenance frequency to the date of service. When the property owner elects to have this type of service frequency, trying to correlate the three year POWTS Maintenance Notice and administrative fee to the owners elected two year service frequency would be thoroughly confusing to property owners, service providers, and the CEO.

There are multiple benefits and advantages with the changes in the POWTS Maintenance Program for property owners, service providers, county administration, and environmental protection. Property owners will benefit since an administrative fee would not be required when a maintenance notice is completed and submitted. This aspect will eliminate the possibility that the fee would be misplaced, lost, or forgotten. Also, the completed notice would not be returned to the office therefore again, eliminating the chance that notices would be lost in the mail, misplaced, or completely forgotten to be placed in the mail or left for the service provider to complete.

Online data entry for service providers will be advantageous for them in a couple of ways. First, entry by the service provider of the completed maintenance will provide a valuable service to the property owner. This is also a benefit for the property owner as well. Secondly, maintenance is recorded instantaneously and the maintenance frequency will automatically adjust to the next required service date. And data entry of the provided service can be accessible through any internet provider (land lines, wireless, cellular, satellite) any time of the day. Lastly, the service provider will not be required to sign notices therefore eliminating the possibility that notices get lost or forgotten by the property owner.

Advantages for the county include a savings in administrative costs and should bring the program's administrative time closer to 20 hours per week it was originally designed for. Collection of the current \$15.00 administrative fee requires that a receipt be generated for every fee submitted. This receipting adds significant time to the data entry of completed notices. With the automatic collection of the proposed \$7.00 POWTS Fee, the time saved by not receipting will allow better compliance and hopefully lower enforcement requirements. And with the time saved with having the notices completed and entered online by the service

providers, the County can devote more attention and energy to areas within the county experiencing groundwater contamination issues and to the administration of the Non-Transient Well Program.

Ensuring that all POWTS within the county are being properly maintained, inspected, and serviced will only further to protect groundwater and drinking water sources. Fond du Lac County has multiple areas throughout the county that are exhibiting complex issues with groundwater drinking sources leaving these areas without safe and adequate drinking water. Tracking the functionality and maintenance of owners POWTS will help to eliminate contamination of the county's drinking water sources. The POWTS Maintenance Program relies on the cooperation of all property owners, service providers, and the county's administration to make sure the program functions properly to protect the public's environmental interests.

The benefits listed above are only a few, more advantages and benefits will become apparent once the new program is administered. Based on the above benefits, it only seems logical and efficient to administer the program fee payable through the property tax bill.